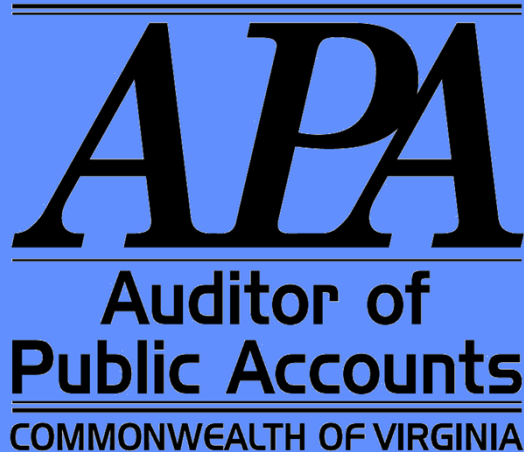


**JAMES MADISON UNIVERSITY**

**REPORT ON AUDIT  
FOR THE YEAR ENDED  
JUNE 30, 2010**



## **AUDIT SUMMARY**

Our audit of James Madison University for the year ended June 30, 2010, found:

- the financial statements are presented fairly, in all material respects;
- no material weaknesses in internal control over financial reporting; and
- no instances of noncompliance or other matters required to be reported under Government Auditing Standards.

We have audited the basic financial statements of James Madison University as of June 30, 2010, and for the year then ended and issued our report thereon dated May 6, 2011. Our report, included in the James Madison University's basic financial statements, is available at the Auditor of Public Accounts' website at [www.apa.virginia.gov](http://www.apa.virginia.gov) and at the University's website [www.jmu.edu](http://www.jmu.edu).

–TABLE OF CONTENTS–

	<u>Pages</u>
AUDIT SUMMARY	
INDEPENDENT AUDITOR’S REPORT	
Report on Internal Control over Financial Reporting and on Compliance and Other Matters	1 - 2
UNIVERSITY OFFICIALS	3



# Commonwealth of Virginia

**Walter J. Kucharski, Auditor**

**Auditor of Public Accounts  
P.O. Box 1295  
Richmond, Virginia 23218**

May 6, 2011

The Honorable Robert F. McDonnell  
Governor of Virginia

The Honorable Charles J. Colgan  
Chairman, Joint Legislative Audit  
and Review Commission

Board of Visitors  
James Madison University

## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS

We have audited the financial statements of the business-type activities and discretely presented component unit of **James Madison University** as of and for the year ended June 30, 2010, which collectively comprise the University's basic financial statements and have issued our report thereon dated May 6, 2011. Our report includes a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. We did not consider internal controls over financial reporting or test compliance with certain provisions of laws, regulations, contracts, and grant agreements for the financial statements of the component unit of the University, which was audited by other auditors in accordance with auditing standards generally accepted in the United States of America, but not in accordance with Government Auditing Standards.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the University's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the University's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the University's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

#### Report Distribution and Exit Conference

The "Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters" is intended solely for the information and use of the Governor and General Assembly of Virginia, the Board of Visitors, and management, and is not intended to be and should not be used by anyone, other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

We discussed this report with management at an exit conference held on May 17, 2011.

AUDITOR OF PUBLIC ACCOUNTS

JHS/alh

JAMES MADISON UNIVERSITY  
Harrisonburg, Virginia

BOARD OF VISITORS  
As of June 30, 2010

Dr. Meredith Strohm Gunter  
Rector

James E. Hartman  
Vice Rector

Mark T. Bowles	Joseph K. Funkhouser, II
Joseph F. Damico	Stephen R. Leeolou
Ronald C. Devine	Elizabeth V. Lodal
Vanessa M. Evans	Larry M. Rodgers
Lois J. Forbes	Judith S. Strickler
Charles H. Foster, Jr.	Fred D. Thompson, Jr.

Daniel M. Smolkin  
Student Representative

Donna L. Harper  
Secretary to the Board of Visitors

UNIVERSITY OFFICIALS

Linwood H. Rose  
President

Charles W. King, Jr.  
Senior Vice President for Administration and Finance

John F. Knight  
Assistant Vice President for Finance

Vicki Hudson  
Controller